

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4371-01
Bill No.: SB 1201
Subject: Business and Commerce; Agriculture Department
Type: Original
Date: February 23, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Fund	(\$95,575)	(\$32,374)	(\$33,184)
Total Estimated Net Effect on General Revenue Fund	(\$95,575)	(\$32,374)	(\$33,184)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Qualified Fuel Ethanol Producer Incentive Fund	Unknown	Unknown	Unknown
Qualified Biodiesel Incentive Fund	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Agriculture (AGR), Department of Transportation, Department of Natural Resources, Department of Economic Development, and State Treasurer's Office** assume this proposal would have no fiscal impact on their agencies.

Officials with the **Department of Revenue (DOR)** assume this proposal will require to make system changes to business tax system (2,076 programming hours at a cost of \$69,255) in FY05. It will also require form changes and process changes to handle the new fee and the new deposit procedures. One Tax Processing Technician would need to be hired to handle the additional duties. DOR assumes that this hire would require additional office space, fixtures, equipment, and expenses totaling \$8,608 in FY05. **Oversight** assumes that the additional hire could utilize existing office resources. Should additional be needed for new equipment or additional expense, DOR could request funding through the appropriation process

Officials from the **Office of Secretary of State (SOS)** assume this proposal would give AGR, in cooperation with DOR, the authority to adopt rules to implement provisions of this act. These rules would be published in the Missouri Register and the Code of State Regulations. These

ASSUMPTION (continued)

rules could require as many as 24 pages in the Code of State Regulations and half again as many pages in the Missouri Register, as cost statements, fiscal notes, and the like are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$23 and the estimated cost of a page in the Code of State Regulations is \$27. Based on these costs, the estimated cost of the proposal with respect to rule-making is \$1,476 in FY05 and unknown in subsequent years. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which would require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Oversight assumes that until AGR and DOR promulgate rules regarding the dimensions of transport loads and the specific parameters of this surcharge, the amount of revenue that would be generated for the Missouri Qualified Fuel Ethanol Producer Incentive Fund and the Missouri Qualified Biodiesel Incentive Fund is unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE			
<u>Cost-DOR</u>			
Salary/Benefits: Tax Processing Technician I	(\$26,320)	(\$32,374)	(\$33,184)
Systems Programming	<u>(\$69,255)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Cost-DOR</u>	<u>(\$95,575)</u>	<u>(\$32,374)</u>	<u>(\$33,184)</u>
NET ESTIMATED EFFECT ON GENERAL FUND	<u>(\$95,575)</u>	<u>(\$32,374)</u>	<u>(\$33,184)</u>

**QUALIFIED FUEL ETHANOL
 PRODUCER INCENTIVE FUND**

Revenue-AGR

Petroleum Product Surcharge	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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**NET ESTIMATED EFFECT ON
 QUALIFIED FUEL ETHANOL
 PRODUCER INCENTIVE FUND**

<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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**QUALIFIED BIODIESEL
 INCENTIVE FUND**

Revenue-AGR

Petroleum Product Surcharge	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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**NET ESTIMATED EFFECT ON
 QUALIFIED BIODIESEL
 INCENTIVE FUND**

<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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FISCAL IMPACT - Local Government

FY 2005 (10 Mo.)	FY 2006	FY 2007
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\$0	\$0	\$0
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FISCAL IMPACT - Small Business

This proposal could impact small businesses by resulting in increased prices in petroleum products for end-users.

DESCRIPTION

This proposal authorizes AGR to assess a surcharge of eighteen dollars per transport load on all petroleum products within state. 55% of the revenue generated is to be credited to the Missouri Qualified Fuel Ethanol Producer Incentive Fund. 45% is to be credited to the Missouri Qualified Biodiesel Incentive Fund. Railroad corporations and airline companies are exempt from the surcharge.

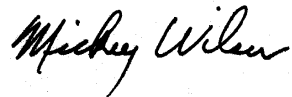
DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

This proposal would increase Total State Revenue.

SOURCES OF INFORMATION

Department of Agriculture
Department of Revenue
Office of Secretary of State
Department of Transportation
Department of Natural Resources
Department of Economic Development
State Treasurer's Office



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Director
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